

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Representatives Present During the Inspection:					
Company	Jay Marshall Resident Agent				
OGM	Pete Hess Environmental Scientist III				

Inspection Report

Permit Number:	C0070013			
Inspection Type:	PARTIAL			
Inspection Date:	Friday, April 04, 2008			
Start Date/Time:	4/4/2008 10:15:00 AM			
End Date/Time:	4/4/2008 12:40:00 PM			
Last Inspection:	Friday, March 14, 2008			

Inspector: Pete Hess, Environmental Scientist III

Weather: Clear, warm. 50's F.

InspectionID Report Number: 1605

Types of Operations

Accepted by: jhelfric

Friday, April 04, 2008

Date

4/14/2008

Permitee: UTAHAMERICAN ENERGY INC Operator: UTAHAMERICAN ENERGY INC

Site: HORSE CANYON MINE

Address: PO BOX 986, PRICE UT 84501

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

Total Permitted	5,992.07	
Total Disturbed	122.49	
Phase I	61.65	
Phase II		
Phase III		

Mineral Ownership

✓ Federal
✓ Underground

✓ State
☐ Surface

✓ County
☐ Loadout

✓ Fee
☐ Processing

☐ Other
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee notified the Division on April 2, 2008 that water monitoring data for the fourth quarter of 2007 was in the data base pipeline and needed to be uploaded .. The Permittee continues to meet this Special Condition of the approved State R645 mining permit.

There is no activity occurring at the Permit Area "B" / Lila Canyon site due to nesting eagles adjacent to the construction area.

Inspector's Signature:

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evelveted	Not Applicable	Commont	F=f=======
1.	Permits, Change, Transfer, Renewal, Sale	Evaluated	Not Applicable	Comment	Enforcemen
2.	Signs and Markers				
3.	Topsoil				
4.a	Hydrologic Balance: Diversions				
4.b	Hydrologic Balance: Sediment Ponds and Impoundments				
4.c	Hydrologic Balance: Other Sediment Control Measures				
—— 4.d	Hydrologic Balance: Water Monitoring	<u> </u>		<u> </u>	
4.e	Hydrologic Balance: Effluent Limitations				
5.	Explosives		<u> </u>		
6.	Disposal of Excess Spoil, Fills, Benches				
" 7.	Coal Mine Waste, Refuse Piles, Impoundments	<u> </u>		<u> </u>	
 8.	Noncoal Waste	<u> </u>			
9.	Protection of Fish, Wildlife and Related Environmental Issues	<u> </u>		<u> </u>	
10.			<u> </u>		
11.					
			<u> </u>		
	Backfilling And Grading	✓			
	Revegetation	<u> </u>			
14.	Subsidence Control		✓		
15.	Cessation of Operations				
16.a	Roads: Construction, Maintenance, Surfacing	✓		✓	
16.b	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations	✓			
19.	AVS Check				
20.	Air Quality Permit				
21.	Bonding and Insurance				
	Other	V		~	

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4.d Hydrologic Balance: Water Monitoring

There was no flow observed in Horse Canyon Creek or Lila Creek this day. The first quarter 2008 water monitoring requirements for the permit area have been completed. All snow is melted; no runoff was observed. There is no access to Little Park for water monitoring at this time due to snow depths and muddy road conditions.

7. Coal Mine Waste, Refuse Piles, Impoundments

The 100 year 6 hour ditch which reports to Horse Canyon Creek (old Mine roadside waste rock pile) appeared stable with no sign of erosive action. This ditch is not included as part of the Phase III bond release application.

9. Protection of Fish, Wildlife and Related Environmental Issues

The Permittee has applied for a variance to the exclusionary period for golden eagles through the USDOI / BLM / Price Field Office. Other involved agencies include the USFWS, DWR, and DOGM. Montgomery Archeological completed the evaluation of two sites within the Mine site disturbed area on March 27th, 2008. Analysis of the field data is pending. An evaluation of the County road is to be made on or about April 14. This will be for the permitting of a fill borrow area.

16.a Roads: Construction, Maintenance, Surfacing

The County road established from US Highway 6 to the Horse Canyon Mine Permit Area "B" site had recently been bladed and it was capable of providing access to this site.

22. Other

The track hoe owned by Scamp Excavation and observed parked on the County road berm last month has been demobilized and transported from the site.